

SECRET



BIWEEKLY REPORT

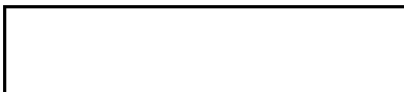
SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/115

4 July 1960

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



SECRET

W A R N I N G

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, U.S.C., SECTIONS 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

Printed and Disseminated by the
Central Intelligence Agency

~~SECRET~~

Summary of Events
17 - 30 June 1960

An agreement concluded in Prague on 16 June between Czechoslovakia and the United Arab Republic provides for a credit of \$20.8 million for the purchase of machinery and equipment to be used in the construction of various public utility projects in the Egyptian sector.

In an unusual move the USSR on 18 June deposited in a New York bank \$2 million to the account of the Ethiopian Government. This sum is to be charged to the Soviet \$100 million line of credit offered in July 1959 and is the first drawing under the credit.

India and the USSR signed an agreement on 16 June calling for the utilization of approximately \$69 million of the Soviet \$375 million credit advanced in July 1959 for production of petroleum and natural gas in India and for technical collaboration in petroleum exploration and development. On the same day an Indian purchasing mission left for Moscow to buy Soviet drilling equipment and to discuss the question of whether or not additional Soviet technicians could be obtained for work in India. The USSR has also offered to supply large quantities of crude oil and lesser amounts of refined petroleum products at substantial discounts from the prices India now pays.

On 11 June, Indonesia officially took possession of four Soviet Mi-4 helicopters, the first of 20 such aircraft purchased under a contract signed in October 1959 that specified a total price of \$5,460,000, no down payment, and repayment over a 10-year period at 2 percent interest.

The Indonesian Government has hired a team of Rumanian petroleum experts to assist in the rehabilitation of the oilfields in northern Sumatra and possibly to serve as advisers to the Petroleum Board in Djakarta.

25X1

~~SECRET~~

~~SECRET~~

The USSR has agreed to purchase 11,800 tons of coffee from Brazil in exchange for Soviet wheat, diesel oil, and crude oil. These transactions, involving the exchange of goods valued at \$28.3 million, are the only sales concluded to date under the Soviet-Brazilian trade and payments agreement of December 1959, which set a level of trade of \$25 million each way as the goal for 1960.

A Cuban mission headed by Raul Castro is in Czechoslovakia -- probably to sign an arms agreement.

~~SECRET~~

SECRET

CONTENTS

	<u>Page</u>
I. Middle East (Czechoslovak Credit to the United Arab Republic for the Purchase of Public Utility Equipment)	1
II. Africa (Ethiopian Receipt of US Dollar Loan from the USSR)	1
III. Asia	2
A. India	2
1. Soviet-Indian Petroleum Agreement	2
2. Soviet Offer of Crude Oil	3
B. Indonesia	4
1. Delivery of Soviet Helicopters	4
2. Contract for Rumanian Petroleum Experts	4
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	
IV. Latin America	5
A. Results of the Soviet Trade Mission to Brazil	5
B. Probable Cuban-Czechoslovak Arms Agreement	6

25X1

SECRET

25X1

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010115-3

Next 6 Page(s) In Document Exempt

Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010115-3